



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

09/749,106

12/27/2000

Cary Lee Bates

ROC920000234US1

6268

7590

07/20/2004

Gero G. McClellan
Thomason, Moser & Patterson, L.L.P.
3040 Post Oak Boulevard
Suite 1500
Houston, TX 77056-6582

EXAMINER

SHELTON, BRIAN K

ART UNIT

PAPER NUMBER

2611

2

DATE MAILED: 07/20/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/749,106

Applicant(s)

BATES ET AL.

Examiner

Brian Shelton

Art Unit

2611

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 27 December 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. This Action is in response to the Application filed 27 December 2000.
2. The Application has been examined. Original claims 1-29 are pending. The rejections cited are as stated below:

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 1-2, 4-7 and 9** are rejected under 35 U.S.C. 103(a) as being unpatentable over Knudson et al. (Knudson), U.S. Patent No. 6,016,141 in view of Pallakoff, U.S. Patent No. 6,269,343.

Regarding **claim 1**, Knudson discloses a method for determining a price of a program transmitted by a programming provider to subscriber, comprising: receiving, via a network connection (Fig. 1, communications paths **30**, see col. 3, lines 54-58), a purchase order for a program from a subscriber belonging to a subscriber group (Fig. **6**, col. 6, line 52 – col. 7, line 4).

Although Knudson discloses providing discounts based upon the quantity of programming purchased by a viewer, Knudson fails to disclose determining first and second prices, as claimed.

But Pallakoff, in an analogous art, teaches determining a first price for a purchase order if goods are purchased by a threshold number of buyers in a buyer group and determining a second price, higher than the first, if the program has not been purchased by the threshold number of members in a buying group for the benefit of providing discounts to members of a group based upon the quantity purchased (Fig. 3, col. 4, lines 20-33 [disclosing price structure wherein price levels decreasing in relation to demand threshold levels of buyer group]; Fig. 6, col. 7, line 6 – col. 8, line 40 [description of price determination based on aggregate demand of members of buying group] see also col. 1, lines 40-49; see also col. 11, lines 53-61 [suggesting modification to other systems]).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the programming price determination of Knudson to incorporate determining a first price for the purchase order if the program has been purchased by a threshold number of subscribers belonging to the subscriber group and determining a second price, higher than the first price, if the program has not been purchased by the threshold number of subscribers belonging to the subscriber group.

The limitation of **claim 2** is encompassed by the teachings of Knudson in view of Pallakoff, as discussed above relative to claim 1. Specifically, Pallakoff discloses determining the first and second prices comprises executing a pricing program (Fig. 6; col. 7, line 6 – col. 8, line 53).

The limitation of **claim 4** is encompassed by the teachings of Knudson in view of Pallakoff, as discussed above relative to claim 1. Specifically, Pallakoff discloses the threshold number of subscribers is greater than one and is some portion of all the subscribers in the group (see col. 4, lines 20-33).

Regarding **claim 5**, the teachings of Knudson in view of Pallakoff are relied upon as discussed above relative to claim 1. **Claim 5** recites a limitation which is not critical to the invention and describes typical, widely employed business practices. It is well known in business practice that profits on the sale of goods or services to a group of buyers are maximized as the number of purchasers increase (e.g., profits increase with rising quantity sold). For example, a commercial carrier (e.g., airplane or bus) realizes maximum profits when all the available seats are sold. Additionally, the establishment of the threshold level equal to all the members of a group merely serves to encourage this increase in profits by ensuring that the maximum profit will be realized by obtaining a purchase from each group member (see discussion above).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the pricing determination method of Knudson in view of Pallakoff to incorporate the threshold number is all the subscribers of the subscriber group because it is a notoriously well known business practice to increase revenue by maximizing the quantity of goods sold and ensuring a minimum expected return from consumer purchases.

The limitation of **claim 6** is encompassed by the teachings of Knudson in view of Pallakoff, as discussed above relative to claim 1. Specifically, Knudson discloses providing, via a network communication, at least one of the first price and second price to the subscriber prior to the subscriber purchasing the program (Fig. 8, col. 7, lines 31-49).

The limitation of **claim 7** is encompassed by the teachings of Knudson in view of Pallakoff, as discussed above relative to claim 1. Specifically, Knudson discloses the purchase order indicates an intent of the subscriber to view the program at a future time (Fig. 2, col. 4, lines 23-47, wherein user purchase of pay per view event to occur at a known time in the future inherently discloses intent to view the program at a future time).

The limitation of **claim 9** is encompassed by the teachings of Knudson in view of Pallakoff, as discussed above relative to claim 1. Specifically, Knudson

discloses receiving, prior to receiving the purchase order, an electronic message indicating an intent of the subscriber to purchase to program (Fig. 6, wherein the user selection of program for purchase (step **84**) is received prior to the reception of the confirmation of purchase (e.g., purchase order) (step **112** or **96**); see col. 6, lines 42-51).

5. **Claim 3** is rejected under 35 U.S.C. 103(a) as being unpatentable over Knudson et al. (Knudson), U.S. Patent No. 6,016,141 in view of Pallakoff, U.S. Patent No. 6,269,343, as applied to claim 1, further in view of Jeffers et al. (Jeffers), U.S. Patent No. 5,036, 537.

As for **claim 3**, the teachings of Knudson in view of Pallakoff are relied upon as discussed above regarding claim 1. Knudson in view of Pallakoff fails to disclose preparing and sending an invoice, as claimed.

However, Jeffers, in an analogous art, teaches preparing and sending an invoice to subscribers (col. 6, lines 24-49). Sending invoices to subscribers of a cable system provides the notoriously well known benefit of informing subscribers of amounts owed to a programming provider.

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the price determination method of Knudson in view of Pallakoff to incorporate preparing and sending an invoice to

the subscriber for the program, as taught by Jeffers, for the benefit of informing subscribers of amounts owed to a programming provider.

6. **Claims 11-12** are rejected under 35 U.S.C. 103(a) as being unpatentable over Knudson et al. (Knudson), U.S. Patent No. 6,016,141 in view of Pallakoff, U.S. Patent No. 6,269,343, as applied to claim 1, further in view of LaRocca et al. (LaRocca), U.S. Patent No. 6,314,572.

As for **claim 11**, the combination of Knudson in view of Pallakoff fails to disclose the determination of whether a subscriber belongs to the subscriber group, as claimed.

However, LaRocca, in an analogous art, teaches the determination of whether a subscriber belongs to a subscriber group (e.g., customers that meet particular service level or type criteria) prior to the determination of price (Fig. **3B**, col. 10, line 54 – col. 11, line 43, see col. 5, lines 29-41) for the benefit of providing access to programming based upon types of service a user subscribes to (see col. 3, lines 30-61).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the price determination of Knudson in view of Pallakoff to incorporate determining whether the subscriber belongs to the subscriber group prior to determining the price, as taught by LaRocca, for the

benefit of providing access to programming based upon types of service a user subscribes to in a method for determining the price of a program.

The limitation of **claim 12** is encompassed by the teachings of Knudson in view of Pallakoff, further in view of LaRocca, as discussed above. In particular, LaRocca discloses the step of determining whether the subscriber belongs to the subscriber group comprises accessing a database (Fig. 1, network manager database **154**, see col. 5, lines 29-41).

7. **Claims 8, 10, and 13-14** are rejected under 35 U.S.C. 103(a) as being unpatentable over Knudson et al. (Knudson), U.S. Patent No. 6,016,141 in view of Pallakoff, U.S. Patent No. 6,269,343, as applied to claim 1, further in view of Cooper et al. (Cooper), U.S. Patent No. 6,754,904.

As for **claim 8**, the combination of Knudson in view of Pallakoff (as discussed above relative to claim 1) fails to disclose notifying at least one other subscriber in the subscriber group of the purchase order. However, Cooper, in an analogous art, teaches notifying other viewers in a viewing group (e.g., buddy list) of viewer messages (Fig. 9, see col. 6, lines 18-39). Although the messaging disclosed by Cooper is missing the specific notification of the purchase order in the message, the chat feature among group members taught by Cooper is

capable of notifying other viewers of any message, which necessarily includes a programming purchase order.

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the price determination method of Knudson in view of Pallakoff to incorporate notifying at least one other subscriber in the subscriber group of any type of message, (i.e., what type of movie a user prefers, what channel a user is watching, and notification of a purchase order) for the advantage of providing messages desired by members in a group.

As for **claim 10**, the combination of Knudson in view of Pallakoff (as discussed above relative to claim 9) fails to disclose notifying, via a network communication, at least one other subscriber in the subscriber group of the intent. However, Cooper, in an analogous art, teaches notifying other viewers in a viewing group (e.g., buddy list) of viewer messages, including notification of an intent to watch a particular program (Fig. 9, see col. 6, lines 18-39). Although the messaging disclosed by Cooper is missing the specific notification of the intent to purchase in the message, the chat feature among group members taught by Cooper is capable of notifying other viewers of any message, which necessarily includes a intent to purchase programming.

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the price determination method of Knudson in view of Pallakoff to incorporate notifying at least one other subscriber

in the subscriber group of any type of message, (i.e., what type of movie a user prefers, what channel a user is watching, and notification of a intent to purchase a program) for the advantage of providing messages desired by members in a group.

As for **claim 13**, the combination of Knudson in view of Pallakoff fails to disclose processing a request to initiate a network dialog session, as claimed.

However, Cooper, in an analogous art, teaches processing a request to initiate a text chat session (i.e., network dialog session) with at least one other subscriber in a subscriber group (i.e., buddy list) (Figs. 6 and 9, col. 4, lines 28-33; col. 6, lines 18-39; see also col. 6, lines 50-57) for the benefit of allowing members of a group to discuss programming content in real time (see col. 6, lines 34-36).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the program pricing system of Knudson in view of Palakoff to incorporate processing a request to initiate a network dialog session with at least one other subscriber in the subscriber group, as taught by Cooper, for the benefit of allowing members of a group to discuss television programming content in real time in a method for determining a price of a program.

The limitation of **claim 14** is encompassed by the teachings of Knudson in view of Pallakof, further in view of Cooper. Specifically, Cooper discloses handling messages sent between subscribers participating in the network dialog session (col. 6, lines 18-57)

8. **Claims 15-29** are rejected under 35 U.S.C. 103(a) as being unpatentable over Knudson et al. (Knudson), U.S. Patent No. 6,016,141 in view of Callais et al. (Callais), U.S. Patent No. 3,790,700.

Regarding **claim 15**, Knudson discloses a system for transmitting programs to subscribers, comprising: a programming provider system connected to a database and configured to receive, via a network connection, purchase orders for programs from a plurality of subscribers (Figs. **1 and 6**, col. 3, lines 45-62; col. 6, line 52 – col. 7, line 4). However, Knudson fails to disclose the database containing subscriber groups, as claimed, or the determination of first and second prices, as claimed.

But Callais, in an analogous art, teaches a database (e.g., memory of computer **17**) containing subscriber groups (e.g., restricted lists) each including at least two subscribers (col. 5, line 49 – col. 6, line 16) for the benefit of organizing subscribers according to common interests in providing requested programming (see col. 5, lines 61-64).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the database of Knudson to incorporate a database containing subscriber groups each including at least two subscribers, as taught by Callais, for the benefit of organizing subscribers according to common interests in providing requested programming.

However, the combination of Knudson in view of Callais fails to disclose the determination of first and second prices, as claimed.

The Examiner takes Official Notice that it is typical business practice to decrease the cost of goods and/or services as demand for the good or service drops below a threshold value. For example, commercial airlines frequently offer discount rates on flights that have failed to reach a desired booking capacity. Additionally, automobile dealers are widely known to offer price discounting and rebate incentives on particular models which fail to attain an expected level of sales. Furthermore, clothing retailers frequently offer sales on clothing items that are not being purchased by consumers at a higher price level (as in the case of the red and yellow dress, wherein the yellow dress is offered at a discount following lagging sales compared to the more popular red dress).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the programming price determination of Knudson in view of Callais to incorporate determining a first price for the purchase order if more than a threshold number of subscribers purchasing the same program belong to a common subscriber group and

determining a second price, less than the first price for each purchase order if less than a threshold number of subscribers purchasing the same program belong to a common subscriber group.

The limitation of **claim 16** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 15. Specifically, Knudson discloses the programming provider is a cable provider (col. 3, lines 3-8).

The limitation of **claim 17** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 15. Specifically, Knudson discloses the programming provider is connected to the plurality of subscribers by a network connection (Fig. 1, col. 3, lines 3-8).

The limitation of **claim 18** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 15. Specifically, Knudson discloses the programs are pay-per-view programs (col. 3, lines 37-39).

The limitation of **claim 19** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 15. Specifically, Knudson discloses the programs are movies (col. 5, lines 53-55).

The limitation of **claim 20** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 15. Specifically, Knudson discloses the programs are entertainment events col. 6, lines 4-13).

The limitation of **claim 21** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 15. Specifically, Knudson discloses the programs are transmitted at a predetermined time (e.g., starting time of pay per view event) (col. 7, lines 41-45).

Regarding **claim 22**, Knudson discloses a system comprising a plurality of signal processing units each associated with one of a plurality of subscribers (Fig. 1, user equipment 32; see col. 3, lines 31-35); and a programming provider system connected to the signal processing units and configured to: transmit fee-based programming events to the signal processing units (Figs. 1, col. 3, lines 45-62;); and determining prices of programming event purchased by the plurality of subscribers (Fig. 6; col. 6, line 52 – col. 7, line 4).

However, Knudson fails to disclose the plurality of subscribers making up subscriber groups, as claimed, and the event price being determined according to a number of purchase orders received, as claimed.

But Callais, in an analogous art, teaches a plurality of subscribers making up subscriber groups each including at least two subscribers (col. 5, line 49 –

col. 6, line 16) for the benefit of organizing subscribers according to common interests in providing requested programming (see col. 5, lines 56-64).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the subscribers of Knudson to incorporate a plurality of subscribers make up subscriber groups each including at least two subscribers, as taught by Callais, for the benefit of organizing subscribers according to common interests in providing requested programming.

However, the combination of Knudson in view of Callais fails to disclose the event price being determined according to a number of purchase orders received, as claimed.

The Examiner takes Official Notice that it is typical business practice to decrease the cost of goods and/or services as demand for the good or service drops below a threshold value. For example, commercial airlines frequently offer discount rates on flights that have failed to reach a desired booking capacity. Additionally, automobile dealers are widely known to offer price discounting and rebate incentives on particular models which fail to attain an expected level of sales. Furthermore, clothing retailers frequently offer sales on clothing items that are not being purchased by consumers at a higher price level (as in the classical economic case of the red and yellow dress, wherein the yellow dress is offered at a discount following lagging sales compared to the more popular red dress).

Accordingly, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the programming price determination of Knudson in view of Callais to incorporate determining a first price for the purchase order if the program has been purchased by a threshold number of subscribers belonging to the subscriber group and determining a second price, less than the first price, if the program has not been purchased by the threshold number of subscribers belonging to the subscriber group.

The limitation of **claim 23** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 22. Official Notice is relied upon as discussed above in claim 22 regarding determining a first price for the purchase order if the program has been purchased by a threshold number of subscribers belonging to the subscriber group and determining a second price, less than the first price, if the program has not been purchased by the threshold number of subscribers belonging to the subscriber group.

The limitation of **claim 24** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 22. Specifically, Callais discloses a database (memory stored in computer **17**) accessible by the programming provider system (headend **13**) and containing a subscriber identifier (e.g., subscriber terminal address) for each of the plurality of subscribers and a subscriber group identifier (e.g., doctors, lawyers, law

enforcement, etc.) for each subscriber group (Fig. 1; col. 5, line 49 – col. 6, line 16).

The limitation of **claim 25** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 22. Specifically, Knudson discloses the plurality of signal processing units are configured to communicate messages via a communication network (Fig. 1, col. 3, lines 54-62).

The limitation of **claim 26** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 22. Specifically, Knudson discloses the programming provider system is a cable provider (col. 3, lines 3-8).

The limitation of **claim 27** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 22. Specifically, Knudson discloses the programming provider system is connected to the plurality of subscribers by a network connection (Fig. 1, col. 3, lines 3-8).

The limitation of **claim 28** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 22. Specifically, Knudson discloses the programming events are pay-per-view programs (col. 3, lines 37-39).

The limitation of **claim 29** is encompassed by the teachings of Knudson in view of Callais, as discussed above relative to claim 22. Specifically, Knudson discloses the programming events are movies (col. 5, lines 53-55).

Conclusion

9. The following are suggested formats for either a Certificate of Mailing or Certificate of Transmission under 37 CFR 1.8(a). The certification may be included with all correspondence concerning this application or proceeding to establish a date of mailing or transmission under 37 CFR 1.8(a). Proper use of this procedure will result in such communication being considered as timely if the established date is within the required period for reply. The Certificate should be signed by the individual actually depositing or transmitting the correspondence or by an individual who, upon information and belief, expects the correspondence to be mailed or transmitted in the normal course of business by another no later than the date indicated.

Certificate of Mailing

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to:

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

on _____.
(Date)

Typed or printed name of person signing this certificate:

Signature: _____

Certificate of Transmission

I hereby certify that this correspondence is being facsimile transmitted to the United States Patent and Trademark Office, Fax No. (703) _____ - _____ on _____.
(Date)

Typed or printed name of person signing this certificate:

Signature: _____

Please refer to 37 CFR 1.6(d) and 1.8(a)(2) for filing limitations concerning facsimile transmissions and mailing, respectively.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Brian Shelton whose telephone number is (703) 305-8714. The examiner can normally be reached on Monday-Friday, 7:30-4:00.

If attempts to reach the examiner by telephone are unsuccessful, the primary examiner, Christopher Grant can be reached on (703) 305-4755. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Application/Control Number: 09/749,106
Art Unit: 2611

Page 20

Brian Shelton
Examiner
Art Unit 2611

BS


CHRIS GRANT
PRIMARY EXAMINER